A Code of Conduct should govern the behavior of supply chain partners, notably on social and environmental matters. Guidelines should generally cover workplace issues such as wages, health and safety, working hours, disciplinary practices, freedom of association, child labor and when applicable, environmental impact of suppliers' activities. There are inherent commercial benefits in adopting and adhering to these guidelines on social and environmental issues that result in sound business practices. Voluntary initiatives to ensure supply chain responsibility are complementary to, but not a substitute for, the necessary role of government in enacting and enforcing appropriate legislation.

# City of Portland Code of Conduct for Apparel Contractors Adopted October 15, 2008

This Code of Conduct specifies minimum standards and is based on the principle that contractors, subcontractors and suppliers within the supply chain of the prime contractor, including cut and sew manufacturers, comply with <u>all</u> applicable laws and regulations in their business activities. Labor practices are based upon the core conventions of the International Labor Conventions (ILO), the United Nations' Universal Declaration of Human Rights and the United Nations conventions on the rights of the child and the elimination of all forms of discrimination against women.

#### 1. Labor Standards

# a. Freedom of Association and Right to Collective Bargaining

Contractors and their subcontractors will recognize and respect that workers, without distinction, have the right to join and form trade unions of their own choosing and to bargain collectively, and will remain strictly neutral on the matter of workers' choice to unionize or not unionize. Workers shall not be subjected to harassment, intimidation, or retaliation as a result of his or her efforts to freely associate or bargain collectively. Contractors and their subcontractors shall not initiative, dominate or support organizations in which workers participate or are represented. Contractors and their subcontractors will negotiate in good faith with any union or other representative worker body duly constituted by the workers. Where the right of freedom of association and collective bargaining is restricted under law, the supplier will not hinder the development of parallel means for independent, free association and bargaining.

## b. Freely Chosen Employment

Employment must be on a voluntary basis, respecting the rights of employees to decide to work or not. Contractors and their subcontractors will not use forced, illegal, or prison labor, including indentured labor or any other form of compulsory labor. Contractors and their subcontractors will not require workers to lodge deposits or their identity papers as a condition employment, or financially penalize workers for resigning.

## c. Child Labor Avoidance

Contractors and their subcontractors will not employ any person that is under the age of 15, under the age interfering with compulsory schooling, or under the minimum age established by law.

Contractors and their subcontractors acknowledge that according to the UN Convention on the Rights of the Child, a person is a child until age of 18. Contractors and their subcontractors will ensure young workers in the age group 15-17 are employed according to the protective restrictions prescribed by the law of the jurisdiction of the manufacturing facility.

### d. Humane Treatment & Disciplinary Practices

Employees shall be treated with respect. Corporal punishment and other forms of coercion, abuse or harassment, whether psychological, verbal, sexual or physical, is prohibited.

#### e. Non-Discrimination

No worker shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of race, nationality, age, religion, disability, gender, pregnancy, maternity leave status, sexual orientation, union affiliation, marital status, political opinion, or social or ethnic origin. No contractor or subcontractor shall require or compel any worker to use contraceptives or take pregnancy tests.

## f. Regular Hours of Work

Workers shall not be required to work a regular work week of more than the lesser of 48 hours per week or the limits on regular hours allowed by the law of the country of manufacture and will be provided with at least one day off during every seven-day period, unless the point of assembly facility in which the labor is performed is party to a collective bargaining agreement that permits mandatory overtime, and any mandatory overtime hours are worked in conformance with a collective bargaining agreement.

## g. Overtime

Workers shall be compensated for overtime hours, such as a premium rate, when legally required in the country of manufacture or point of assembly or, in those locations where such laws do not exist, at a rate of at least one-and-one-half their regular hourly compensation.

## h. Wages and Benefits for Regular Hours of Work

The point of assembly facilities shall pay wages that meet the higher standard of (a) the legal minimum wage; (b) the prevailing wage in the industry in the country of production; or (c) a non-poverty wage as defined as follows. "Non-poverty wage" in the U.S. is the level of wages required for a full-time worker to produce an annual income equal to or greater than the United State Department of Health and Human Services' most recent poverty wage is a comparable nationwide wage and benefit level, adjusted to reflect the local cost of living.

Workers must be paid directly and provided with clear, written accounting of hours worked, deductions and regular and overtime wages. Deductions from wages not provided for by the laws of the countries where goods are made, shall not be permitted without the express permission of the employee. Point of assembly facilities shall also maintain verifiable wages and hour records for each employee that contain the following: (a) name and job classification; (b) a general description of the work the worker performed each day and the rate of pay (including rates of contributions for, or costs assumed to provide fringe benefits); (c) the daily and weekly number of hours worked; (d) deductions made; and (e) actual wages paid.

### i. Just Cause Termination

Point of assembly facilities shall not engage in any reprisal, coercion, intimidation or take any other adverse action against workers for filing complaints, giving evidence, or otherwise cooperating with monitoring, enforcement, remediation or other activity by the City of Portland or any other entity authorized by the City of Portland to monitor or enforce obligations under this Code.

Point of assembly facilities shall not terminate workers without just cause. Contractors shall provide for a mediation or grievance process to resolve workplace disputes. For production in the United States such disputes are limited to those not regulated by the National Labor Relations Board.

# 2. Health and Safety

## a. Management of Health and Safety

Workers will be provided with a safe and healthy work environment. Conditions in all work and residential facilities shall be safe, clean, and consistent with all applicable laws and regulations regarding health and safety. The contractors and their subcontractors shall provide written health and safety guidelines for employees in terms of equipment, training, management, and work practices in the local language(s) of the employees.

#### 3. Cut and Run

Contractors, subcontractors including point of assembly facilities shall not shut down or reduce orders to a point of assembly facility in order to deny workers any right or standard protected by this code, or to otherwise avoid complying with this code, including their right to freely associate.